



CHESTER J. CULVER
GOVERNOR

OFFICE OF THE GOVERNOR

PATTY JUDGE
LT. GOVERNOR

July 10, 2010

Assistant Secretary Cathy Zoi
Office of Energy Efficiency & Renewable Energy
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Assistant Secretary Zoi:

The State of Iowa takes great pride in leading the nation in creating renewable energy resources that are cost-effective and environmentally sustainable for Iowa and the nation. Iowa leads the nation in biofuels output, ranks second nationally in wind energy production and is one of the top ten states when it comes to investing in energy efficiency; however, there is much more that a continued productive partnership with the U.S. Department of Energy can accomplish and we are eager to work with you in leading the nation toward a renewable energy economy.

Working with the Iowa General Assembly, we created the \$100 million Iowa Power Fund to boost energy research and development. The Fund has generated immense interest. It has fostered ideas that have led to more than 300 applications and resulted in the funding of 30 innovative projects, supporting creative investments in cutting edge biofuel and wind energy research and development. To date, more than \$40 million in awards has leveraged an additional \$270 million in investment in advanced energy research. Moving research and development to early-stage commercialization and, eventually, into the market is one of the major hurdles we address with Power Fund investments. The U.S. Department of Energy can play a continued role in early-stage commercialization.

Iowa is creating an irreversible momentum in our energy industry that will attract and retain employers and create permanent Iowa jobs. We are paving the way, by investing in research and development, which contributes to innovations and technologies that will improve our standard of living and quality of all of our lives.

We are committed to producing clean, alternative energy sources and reducing our reliance on fossil fuels. Iowa's energy plan drives our energy success and focuses on reducing energy usage 30 percent in facilities by 2025, increasing Iowa's wind energy consumption to 30 percent, and maximizing economically and environmentally low carbon fuels by increasing usage of Iowa produced biofuels. Our state met the national goal of 20 percent of electricity generated from renewable sources, even before the President articulated the goal.

Iowa is constantly seeking opportunities for innovation in the clean energy sector. Our state recently submitted a grant application to DOE that would help reduce the risk for lenders to



finance energy efficiency improvements in multi-family housing, encourage landlords to do whole-building audits and educate landlords on the economic benefits of energy efficiency retrofits. This is yet another example of how Iowa is in the forefront leading energy efficiency efforts. I encourage DOE's full support of this application.

The Department plays a vital role in funding and leading the way on renewable energy and energy efficiency research. Although much progress has been made to improve the economics and environmental impact of renewable, sustainable energy technologies, more needs to be done for Iowa to capture its potential.

Therefore, I am asking you to support these recommendations:

- As Chairman of the Governors' Biofuels Coalition, I know that a focused strategy to deploy ethanol and biodiesel infrastructure is necessary. The State of Iowa and many states across the country could benefit from increased use of ethanol. This will require a strategy for using higher-level blends of ethanol most effectively accomplished with a combination of blender pumps and flex fuel vehicle utilization and education. I also encourage the DOE to support the build-out of biodiesel blending capabilities in the nation's petroleum terminal blending facilities. These are strategies that do not need additional years of development to deploy. They are ready for deployment now.
- States including Iowa have businesses waiting for deployment of DOE's loan guarantee program. This program's efficient deployment will ensure that large energy projects are not delayed. The projects now awaiting loan guarantee approval represent significant job creation opportunities available to states now and very much need your Department's support.
- Robust funding for your agency's Biomass and Biorefinery Systems Research and Development program is needed. With the right research, we can leverage the investments already made in the state's existing biofuel production infrastructure to develop the biorefineries of the 21st century.
- Added resources for the deployment of innovative small and large scale turbines will have a positive impact for the wind industry both in terms of putting more wind production on the ground, as well as building wealth through entrepreneurship in Iowa and around the country.

I am proud of Iowa's accomplishments in terms of renewable energy and energy efficiency. While we have made great strides, more must be done. Our continued progress will depend upon direct, consistent funding for states to deploy new energy technologies and achieve excellence, in particular through the State Energy Program. I look forward to furthering our partnership with DOE to meet our national clean energy goals.

Sincerely,

Chester J. Culver
Governor of Iowa